



## AGENDA ITEM SUMMARY

City Council

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### STAFF

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Sylvia Tatman-Burruss, Sr. Project Manager  
Aaron Guin, Legal

### SUBJECT

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**Items Relating to City Council’s Direction to Address Existing Occupancy Regulations.**

### EXECUTIVE SUMMARY

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Possible Public Hearing and Motion(s) Regarding Protest(s) of Ballot Language.

A. Resolution 2023-075 Directing City Staff to Prepare and Present to Council Amendments to the City of Fort Collins Land Use Code Increasing Occupancy Allowed in Residential Dwellings.

B. Resolution 2023-076 Referring to the Registered Electors of the City of Fort Collins Resolution 2023-075, Concerning Amending the Fort Collins Land Use Code to Increase the Occupancy Allowed in Residential Dwellings.

Any protest of the proposed ballot language must be received no later than Monday, August 14, 2023, at 12:00 p.m. Protest(s) shall be heard, considered, and resolved by Council prior to adoption of the related Resolution. If protests are received, copies will be included in Council’s “Read Before the Meeting” packet.

### STAFF RECOMMENDATION

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Staff recommends adoption of Option 2 within the Resolution directing staff to draft amendments to the City’s Occupancy Ordinance that would expand housing efficiency while maintaining neighborhood quality.

### BACKGROUND / DISCUSSION

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The City has had an Ordinance regulating occupancy since 1963. The current version of this Ordinance, Section 3.8.16 of the Land Use Code (also known as “U+2”), limits occupancy of residential dwellings to a family of any size plus one additional unrelated occupant, or to no more than three unrelated occupants. Active enforcement of the Ordinance began in 2005, when violation was classified as a civil infraction. Since then, Council has had several in-depth conversations about occupancy and nuisance regulation as part of the community dialogue regarding neighborhood livability. Council also has reviewed regular evaluations of the occupancy Ordinance and its impacts.

Over the years, adjustments have been made to the Ordinance to allow for designations as extra occupancy rentals in some zoning districts through a development review process outlined in Land Use Code Section 3.8.28, and the addition of a Host Family Permit.

The City's Housing Strategic Plan formally adopted in March 2021, addresses how the occupancy Ordinance limits housing options and poses challenges related to fair housing compliance. Additional concerns with the occupancy Ordinance include underutilization of the City's existing housing stock and how the application of the definition of "family" in the Ordinance no longer reflects the demographic makeup of many households in the community.

Numerous types of analysis have been completed over time including existing conditions (Root Policy Research); housing stock analysis; occupancy cases and enforcement review; peer city comparisons; community surveys and engagement; and overall analysis by Corona Insights in 2005, 2009, and 2019.

The Council continues to hear strong arguments from the community on both the effectiveness of the Ordinance and its disadvantages.

The proposed Resolutions seek to acknowledge the history of the occupancy Ordinance, the change in demographics and economic conditions over the last twenty-odd years, the difficulty in applying a "family" definition and the desire to make effective modifications that will benefit the community. The proposed Resolutions also seek to confirm, through ballot referral, that the work necessary to amend the Ordinance will meet the needs and desires of the community.

Two options are presented in Resolution 2023-076. Both options eliminate familial relatedness as a mechanism for regulating occupancy. Resolution Option 1 proposes that occupancy limits be set based on a maximum number of adults living in the dwelling. Option 2 proposes more general language with instruction to staff to develop, by no later than a certain date, new regulations that increase the maximum occupancy allowed in residential dwellings based on the number of adults per dwelling unit, based on building size or number of sleeping rooms (bedrooms), or by some other method.

#### **CITY FINANCIAL IMPACTS**

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Not applicable.

#### **BOARD / COMMISSION / COMMITTEE RECOMMENDATION**

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Not applicable.

#### **PUBLIC OUTREACH**

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Not applicable.

#### **ATTACHMENTS**

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1. Resolution A for Consideration
2. Resolution B for Consideration
3. Presentation